

DD/M&S

73-1704

DD/M&S Registry

File

30 APR 1973

MEMORANDUM FOR: Deputy Director for Management and Services

SUBJECT : Personnel Management

REFERENCES : A. Memo for DDS dtd 21 Mar 73 fr W. E. Colby, subj:
Personnel Management

B. Memo for the Record fr George E. Pickett dtd 13 Mar
73, subj: Personnel Management at CIA

1. General Pickett's paper is perceptive and provocative; it identifies a number of significant problems and contends that the present personnel system is too decentralized to meet Agency needs. This is a fundamental issue that needs high-level consideration.

2. As Mr. Colby points out, our best course lies somewhere between the extremes of centralization and decentralization. I am pleased that he mentioned the Annual Personnel Plan and the Personnel Development Program as helpful devices in bridging the gap but these, though useful tools, will not solve all the problems cited. Further actions are needed to achieve a balance between centralization and decentralization; between the need for central mechanisms for policy guidance, monitoring, and control, and the need to leave operating authority and responsibility with component managers.

3. As preliminary steps, action is needed along two lines. First, the policy should be affirmed that Deputy Directors are primarily responsible for personnel management within their areas, as is the case now in program and financial management. This will conflict with the situation prevailing under present Agency regulations which confer many personnel authorities and responsibilities on a decentralized basis, notably to the 23 Career Services, but it will give the Deputies an opportunity to review the institutional arrangements and delegations of authority within their Directorates and to decide what, if any, changes should be effected. Second, the responsibilities and authorities of the Director of Personnel should be reviewed, with particular attention to centrally operated mechanisms for policy formulation, establishment of guidelines, monitoring, reporting, and control, and to those personnel functions that might best be performed centrally as services of common concern. The Office of Personnel will examine the implications of these suggestions within the next

MORI/CDF Pages 4 thru 7

few weeks and I will advise you of our findings, including any proposals that might be put before the Agency Management Committee.

4. I have the following immediate reactions to some of General Pickett's specific comments:

a. Centralized "selection, training, assignment, reassignment, promotion, and release" of people could facilitate accomplishment of a number of desirable objectives, but I do not think we need to go that far to achieve greater uniformity and consistency in personnel management. I believe the enormous diversity of people and functions in the Agency requires that responsibility for personnel handling remain decentralized. At the same time, however, we have or can create the mechanisms necessary to ensure a common planning process, guidelines for decision-making and action, and the means for checking on the efficacy of the system. Needless to say, a considerable degree of organizational discipline will be necessary to make it work.

b. I do not agree with General Pickett's suggestions for a centralized promotion board and a centralized job file as a basis for assigning and reassigning people. Operating officials should be allowed to judge the promotion potential of their people, in accordance with applicable guidelines and quotas. I certainly agree, however, with the desirability of increased employee mobility implied in his suggestions. It is in the Agency's interest to establish intra- and inter-Directorate mechanisms, with clout, to decide upon employee movements across organizational lines wherever and whenever needed. OP has forwarded a draft proposal on this subject to the Executive Secretary of the Management Committee (copy attached).

c. As noted in subparagraph a, above, I do not agree that all of the personnel management functions identified by the General should be centralized. It may be useful, however, to consider the desirability of a centralized selection system for new professional employees. The ongoing reduction in the size of the Agency, with a corresponding decrease in input requirements, affords an opportunity to see whether there isn't a more efficient way to do the selection job, both to meet current component requirements and to serve broader Agency purposes with respect to age and grade patterns, lateral entry, future skill requirements, etc. If you agree, I will submit proposals for discussion.

d. I share General Pickett's view that an effective management development program is needed. Reductions in excess personnel will result in additional opportunities for upward movement, thereby

accentuating the probable need for personnel development in the relatively near future. In this connection, it might be appropriate to ask the Executive Secretary of the Agency Management Committee to inquire about progress to date in implementing the Personnel Development Program that was approved in January.

V/s/Harry B. Fisher

Harry B. Fisher
Director of Personnel

Attachments:
as stated

Distribution:

Orig & 1 - Addressee
- R
1 - D/Pers
2 - PS

DD/Pers/R&P mcf (20 Apr 73)

STAT

DRAFT (19 Mar 73)

SUBJECT: Employee Mobility Program

Few managerial issues have received more discussion and less action than that of personnel mobility within the organization. Most officials agree that movement is desirable, for obvious reasons of individual growth, maximum utilization, and strengthening the line of succession, but parochial interests and administrative barriers have acted as effective deterrents to significant or sustained action to achieve these objectives. We are now at a point where we must concentrate upon the development of on-board personnel resources. It is the responsibility of management at all levels to eliminate barriers and to take positive action both to expand opportunities for individual movement and to improve the organization's capability to move people quickly as needs arise. Systematic, planned action is required in both the short and long term.

The volume of movement that may be desirable can not be measured in statistical terms. Generally speaking, there is enough when operational needs and career development objectives are promptly and effectively served. There is too little when jurisdictional disputes or local managerial preference impede or defeat desirable moves.

The objectives of personnel mobility apply at all professional levels, with emphasis upon young employees in the formative years of their career development, and upper-level officers who are in or in the zone of consideration for key assignments. They are aimed at building strength in the employee body, and our first concern must be for the better people, those who rank in the top 20% or 25% of their respective categories. To ensure continuity of action, basic guide lines and procedures will be observed, as outlined below.

1. To carry out the purposes of the mobility program:

a. Each Deputy Director will establish a Directorate Reassignment Panel, chaired by a senior officer of his immediate staff.

b. An Agency Reassignment Committee will be established, chaired by the Director of Personnel, with membership to include the Chairmen of the Directorate Reassignment Panels. The Director of Personnel will provide a secretariat and necessary staff support. The Agency Reassignment Committee will report to the CIA Management Committee.

c. Responsibilities of the Directorate Reassignment

Panels will include:

- (1) Identify Directorate officers with significant growth potential and plan developmental assignments between components of the Directorate to broaden individual experience.
- (2) Identify employees who should be considered for assignment to another Directorate, and those who appear to have potential for ultimate senior Agency responsibilities, and provide information concerning these employees to the Agency Reassignment Committee.
- (3) Identify positions within the Directorate which could be filled by assignment of employees from another Directorate.

d. Responsibilities of the Agency Reassignment Committee will include:

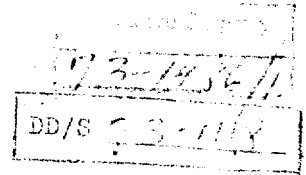
- (1) Consider reassignment cases proposed by the Directorates and initiate action to provide for movement of personnel between Directorates for tours of duty.
- (2) Recommend to Deputy Directors other courses of action if the Committee considers them more appropriate in individual cases.

(3) Monitor Agency progress in achieving mobility objectives, maintain current information on performance, and report periodically or as requested to the CIA Management Committee.

2. Each Deputy Director and Head of Independent Office will develop an annual projection of personnel movements into and out of components or Career Services under his jurisdiction. Projections will be submitted to the CIA Management Committee for each Fiscal Year as a part of the Annual Personnel Plan, beginning with FY 1974.

3. Henceforth, young professionals entering the Agency will be expected to serve in at least two functional areas or major components during their first five years on duty. Exceptions, e.g., on grounds of narrow specialization in a technical field, will require approval by a Deputy Director.

Page Denied



21 MAR 1973

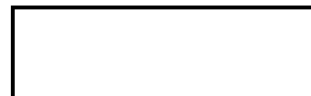
MEMORANDUM FOR: Deputy Director for Support

SUBJECT: Personnel Management

1. Attached is a copy of a memorandum which was handed to me privately, not officially, by Mr. Andrew Marshall of the National Security Council.* It reflects some comments on personnel management of CIA which have come to him. I commend it to your attention and consideration.

2. As to the alternatives between centralized personnel management and the decentralized system we have today, I think that neither is the right answer. The decentralized system provides personalized treatment of the enormous variety of individual skills and capabilities our people have. This is essential. At the same time the decentralized system allows inequities and inconsistencies in personnel management because of bureaucratic divisions. The latter problem I believe can be solved by centralized reporting of personnel activities and by imposing a common planning process and guidelines for decision making. The Office of Personnel has been working up "an annual personnel plan" and a "personnel development program" for application by all elements of the Agency. I commend these to your attention also as I think they can help solve, not solve entirely alone, many of the problems listed here. Office of Personnel's recommendations with respect to our fitness reports are also worthy of review in this connection.

STAT

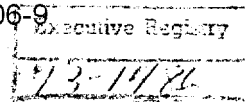


W. E. Colby
Executive Secretary
CIA Management Committee

Attachment

Memo dtd Mar 13, 1973 from
George E. Pickett, NSC

** For the also gave a copy to the DEI -*



NATIONAL SECURITY COUNCIL

CONFIDENTIAL

March 13, 1973

MEMORANDUM FOR THE RECORD

FROM: George E. Pickett
SUBJECT: Personnel Management at CIA

Some portion of CIA's present problems can be blamed on their personnel management system. Without having studied it, I can only draw some general conclusions. Training is not included in this discussion.

-- The system is weighted toward placing power in the hands of immediate superiors. The absence of centralized promotion, reward, assignment, etc., has led to analysts being greatly dependent upon their immediate supervisors. Three reactions have occurred: (1) internally, the organization is highly political in its selection of managers and its creation of sub-elements; (2) people are risk-averse; (3) compartmentalization is very strong.

-- Personnel is looked on as a paperwork operation rather than a key element in controlling the organization. It has not been integrated with training into a concept of what is or would be needed.

-- Organizational prosperity has deterred any effort to prune marginal performers. In essence, the definition of marginal performer in the past accepted a lower standard of performance than is now desired. In the growth of the past two decades obviously poor people were readily released. Marginal cases were not because their work was carried by others, because of personal relationships, and because the unpleasantness of firing was accentuated by the onus of doing it being placed on the low-level managers as opposed to the system as a whole.

-- Organizational compartmentalization has resulted from both the security issue and a personnel system which decentralized

CONFIDENTIAL - GDS

CONFIDENTIAL

2

personnel handling. Parochialism grew from allegiance to one's supervisor, inability to move in and out of the Agency at different levels, and the lack of a job rotation policy of any force.

-- The skills required for entry and advancement within the Agency have been based in some cases on inaccurate assumptions. Some technical or engineering skills were probably defined appropriately. But analysts were assumed to know how to analyze by virtue of their education; managers were assumed to have demonstrated the skill during their time with CIA. At least in the latter case, the political nature of selection contradicts this assumption.

This is not to downplay the quality of the Agency's manpower, since the average educational level and the professionalism of the majority are impressive. However, the system that presently operates encourages entry level people to give excessive attention to their supervisor's wishes and to conform with the perceived image and attitudes of the Agency. The impulse to do so is subtle. For example, if analysts were reassigned frequently, were promoted centrally, and were screened for higher positions in a more objective fashion, their perspective on the Agency would be much wider and more diverse.

The Agency now has entered some lean years. The prosperity of two decades has ended. Budget constraints, the growth of civil servant salaries and the cost of new technology have brought pressure to employ fewer resources (or at least not to increase their use at the same rate) while improving output. The national policy of the government has shifted, and the Agency has not adjusted. Critics of the CIA, who were more or less ignored in the face of the continued prosperity of the 1960's, have attained more stature -- partly because they have been correct, partly because what they propose is more efficient resource use, and partly because they are allies of the Administration.

Lean years require a shift in personnel policies, not only because of problems generated by past policies but also because of the need to shape the organization to meet present and future demands. Action is especially needed because of the long-range impact of personnel policies. Some key changes in my mind:

CONFIDENTIAL

Centralized Personnel Management

A number of reasons support the need for centralized control of people, i.e., central selection, training, assignment, reassignment, promotion, and release. (How far this can be done with the clandestine service requires study.)

- To give a clear signal of the DCI's intention to change the organization and of his capability to do so.

- To place the DCI in a more direct position to affect personnel motivation.

- To loosen the internal political nature of advancement within CIA.

- To force individuals to develop a wider view of the organization.

- To centralize control of a resource (manpower) in a period when resources will be scarce.

Characteristics of the centralized system might include:

- Redefinition of those special skills needed, based upon a review of the present and future needs of the Agency.

- Centralized job file with one central organization assigning and reassigning people based upon the file.

- Centralized promotion board.

- Efficiency report system with reports in a format designed to fit the job and skill specialties being evaluated.

- Screening process which identifies managerial and other skills deemed necessary.

Establishment of Personnel Policies

With a centralized personnel system the DCI can then institute and monitor the performance of certain policies designed to direct the Agency's activities. These policies may include:

CONFIDENTIAL

CONFIDENTIAL

4

-- Restriction on overspecialization, except in certain special fields. This could be done by limiting tours of duty, requiring rotation between directorates and between skill areas, and setting certain experience qualifications for promotion to high grades.

-- Requirement for high-level staffs to include individuals from different directorates and with different levels of experience and years of service.

-- Agency-wide personnel performance reviews at stated intervals (e.g., annually, at fifth or tenth year) to reduce the number of personnel based on anticipated future needs and desired performance levels.

-- Liberalization of job description and performance practices in order to provide information to outside prospective employers about people leaving CIA.

-- Temporary initiation of liberal retirement or release benefits to assist those now judged to be marginal performers. (Also, possibly a job search program.)

-- Allowing people to enter the Agency at different grade levels and to leave or return, but with a policy protecting those entering at the bottom from discrimination.

Revitalized Management Program

Few people recognize the scarcity of good managers. One article suggested that less than half of those selected by a business had proved to be good, and Government can hardly expect to do better. Also, few people realize that the skills required in managers change both with the tasks faced and the manager's level in the organization. A few ideas:

-- A management development program to select and train people presently in key positions.

-- A long-term management skill field (like an analytical or linguistic skill) in which people could become qualified through education, experience and testing.

CONFIDENTIAL

CONFIDENTIAL

5

-- Management training, including college-level work.

-- Tests to identify managerial ability.

-- Use of centralized personnel management to give managers experience in different areas and to encourage more information flow within the Agency.

Conclusion

The present system for handling personnel seems to operate under a strategy of giving the decision capacity on personnel matters to the lowest and closest manager to the individual. One could hardly argue with this approach if managers themselves knew how to manage, made objective decisions, and had a concept of good job performance which was clear and related to the product. None of this is entirely true for anyone, least of all for an organization as large as the CIA has become. It may have been more appropriate when CIA was small.

Now a more centralized system is needed, if only to protect the individual. I contend it is unfair to let a man stumble along within an organization for five, ten or more years before understanding his limits. It is unfair not to counsel him sooner, and help him move elsewhere. It is also unfair to implicitly restrict a man's growth by limiting his internal mobility, or to limit his opportunities by not letting him compete in a wider population.

Finally, personnel is one part of a series of interrelated areas which include training, organization structure and management control and information. Changes in one affect the rest.

CONFIDENTIAL

Page Denied